

## **Highlights of the Maine Department of Health and Human Services Supplemental Biennial Budget Proposal for FY 2022 and FY 2023**

Governor Mills' supplemental budget proposal for state fiscal years 2022 to 2023 aims to tackle the state's most pressing problems, including pandemic-driven inflation and Maine's longstanding workforce shortage.

As the largest department in State government, the Maine Department of Health and Human Services (DHHS or Department) is a central component of the proposal. The Department provides health care and social services to approximately one-third of the state's population, including children, families, and older Mainers, as well as individuals with disabilities, mental health, and substance use disorders. Maine DHHS has also led the Mills Administration's COVID-19 pandemic response.

### **Overall Budget**

Governor Mills' proposal for the supplemental budget continues policy efforts initiated at the outset of her Administration, such as expanding access to health care and child care, as well as rebuilding critical parts of State government, especially given the strain of the COVID-19 pandemic.

For Maine DHHS, the Governor is proposing \$35 million in General Fund (GF) appropriations for fiscal years 2022 and 2023. This was partly offset by the one-time Federal funding of \$137 million for MaineCare during the public health emergency, which would also be used to add \$30 million to the Medicaid Stabilization Fund to continue reforms in the next biennium and pay for unexpected pandemic-related costs.

### **Highlights**

#### Aggressively and Fully Implementing the Biennial Budget's Historic MaineCare Investment:

The fiscal years 2022 to 2023 biennial budget invests \$500 million in Federal and State funding in improving payment rates for MaineCare (Medicaid) providers. This includes, but is not limited to, implementing updates to rates, adding new cost-of-living adjustments for rates that lacked other updates, raising rates to be sufficient to pay direct support professionals 125 percent of minimum wage, and implementing value-based payment systems.

- The supplemental budget seeks an additional \$100 million in total funding (\$35.8 million General Fund) to fully implement these policies, including the minimum wage provision which is more expensive as a result of higher-than-expected inflation, and accelerating the cost-of-living adjustment for some providers to align with the start of the minimum wage policy on January 1, 2022. Note that a portion of this funding will go toward certain state only long-term care providers.

Continuing Strong Pandemic Response: The COVID-19 pandemic's impact on Maine's health and long-term care system has continued – and will likely do so into the next fiscal year as hospitals, nursing homes, residential care facilities, and home health providers remain on the

front lines caring for people with the virus as well as those with other conditions who may have delayed care due to the pandemic. To that end, the supplemental budget proposes nearly \$70 million in total funding through several initiatives:

- A one-time, \$50 million (\$14 million General Fund) MaineCare COVID-19 supplemental payment in fiscal year 2023 for hospitals, nursing facilities, and certain residential care facilities. This will help pay for the continued need for COVID-19 precautions – isolation units, frequent testing, higher labor costs, personal protective equipment – as well as caring for long-stay patients with the disease and pent-up demand for care.
- A one-time, \$5.3 million (\$5 million General Fund) add-on payment in fiscal year 2023 for high MaineCare utilization in private non-medical institutions that care for residents who are older or have disabilities (PNMI-Cs). During the pandemic, PNMI-Cs have been critical to decompressing hospitals and maintaining the full range of long-term care residential beds as Maine – and the nation – have experienced staffing challenges and shifting models of care.
- An initiative to reinstate a “supplemental wage adjustment” of \$7.6 million in total MaineCare funds (\$1.9 million General Fund) that will assist nursing and residential care facilities with labor costs through the rest of the 2022 fiscal year. This will complement the increased rates that support at least 125 percent of the minimum wage that began in January.
- A proposed \$6.1 million in General Fund dollars for addition of 600 slots for Section 63 in-home and community services to help keep older Maine residents in their homes rather than in residential care facilities and hospitals, which need to remain ready to respond to COVID-19 in fiscal year 2023.
- A one-time, MaineCare supplemental payment of \$137,000 (\$38,000 General Fund) in fiscal year 2023 to family planning clinics, recognizing their extra services provided during the pandemic.

Expanding Child Care: Quality child care is not just critical to the early development of Maine children but is a pillar of a strong economy and growing workforce. Building on the [Child Care Plan for Maine](#), the supplemental budget proposes:

- More than \$12 million in General Fund dollars to increase pay for child care workers and early childhood educators to strengthen our child care system across Maine. Child care providers would tier payments to workers, with higher amounts going to higher trained and educated workers, consistent with the goals of legislation sponsored by House Speaker Ryan Fecteau.

Strengthening the Child Welfare System: The Governor’s proposal includes several initiatives to add child protective staff and implement timely recommendations from Maine’s Child Welfare Ombudsman, nationally recognized experts at [Casey Family Programs \(PDF\)](#), and others. These recommendations align with the Maine Department of Health and Human Services’ [Child &](#)

[Family Services Strategic Plan](#) to improve policies and practices to ensure child safety. These proposed budget initiatives would invest approximately \$8 million in improving the child welfare system in Maine, including funding to strengthen the Office of Maine's Child Welfare Ombudsman. They include:

- Filling key staffing gaps through a \$3 million (\$2.2 million General Fund) investment to add 16 caseworkers and three caseworker supervisors dedicated to night and weekend shifts; 8 legal secretaries to lessen the need for caseworkers to do court paperwork; and a new Regional Associate Director dedicated to supporting policy and training, which is in line with the Ombudsman's call for additional training of caseworkers. The supplemental budget will also add two safety-science staff to review cases in which a child is harmed in an ongoing manner rather than only after a child death occurs.
- Extending the Homebuilders Program through a \$2.2 million investment (\$1.6 million General Fund) to support families during reunification. The Homebuilders model supports successful family reunification including training and preparation for the safe and smooth transition of a child back into the home setting.
- Expanding Family Visit Coaching by making the successful pilot statewide through a \$2 million investment (\$2 million General Fund). Family Visit Coaching provides families with in-depth training and support focused on parent-child interaction to facilitate contact when children are in State custody after being removed from a home.
- Creating a Parent Mentor Program through a \$200,000 initiative to employ parents who have lived experience with the child welfare system to develop an evidence-based program to encourage parents to constructively engage with Maine DHHS, advise on the development of policy, and assist in training new caseworkers.

## **Background**

Maine DHHS is comprised of ten offices and divisions that deliver critical programs and services for Mainers. The newest, the Office of the Health Insurance Marketplace, is funded by health insurance carrier user fees; there is no request for it in the supplemental budget. The General Fund Proposed Appropriated Budgets for these offices in the fiscal year 2022 to 2023 supplemental budget, including initiatives already described, total \$35 million as follows:

- The Office of MaineCare Services (OMS): \$23.8 million General Fund. In addition to initiatives described above, the supplemental budget includes funding to support implementation of changes to inpatient psychiatric and psychiatric residential treatment rates, higher than expected transportation costs, higher than expected Medicare premiums that Medicaid pays on behalf of members, elimination of certain copayments, and changes in the Federal matching rate. It also adjusts funding in the biennial budget for different effective dates of various provisions.

- The Office for Family Independence (OFI): \$475,000 General Fund. This supports limited period positions for workers who help verify eligibility for MaineCare, SNAP, and related benefits, as will be required when the U.S. Public Health Emergency ends.
- The Office of Child and Family Services (OCFS): \$31 million General Fund. In addition to the initiatives described above, the supplemental budget includes this funding necessary to support resource (foster) families in light of a higher-than-expected number of children in care, and to secure a contract for homeless youth services in the Mental Health Services-Children program and the Homeless Youth Program.
- The Office of Aging and Disability Services (OADS): \$8.1 million General Fund. In addition to the initiative described above, the supplemental budget proposes funding 50 additional emergency slots for Section 21 in light of high demand, new Developmental Disabilities Resource Coordinators to help manage the growth in people in the waiver programs, and staff reclassifications.
- The two State-run psychiatric hospitals, Riverview Psychiatric Center (RPC) and Dorothea Dix Psychiatric Center (DDPC): \$6.1 million General Fund. The supplemental budget would help pay for pandemic-related unexpected costs of travel nurses, additional critical staff (e.g., psychiatric nurse practitioners), and infrastructure improvements (e.g., new roof and electronic medical record system).
- The Office of Behavioral Health (OBH): \$4 million General Fund. This funding would continue the Overdose Prevention Through Intensive Outreach Naloxone and Safety (OPTIONS) liaisons, provide parity with certain MaineCare payment increases, and support certain Private Non-Medical Institution (PNMI) rental subsidy contracts.
- The Maine Center for Disease Control and Prevention (CDC): \$2.7 million General Fund. This funding would support the Governor's broader efforts to test for and reduce the harm of PFAS by reintroducing specialized testing at the State Health and Environmental Testing Laboratory (HETL), support the move of HETL to a new building, create a permanent Associate Director of Population Health Equity, and purchase a case management system for the Lead Poisoning Prevention Program.
- The Division of Licensing and Certification (DLC) and Commissioner's Office: \$6.2 million General Fund. This includes funding to pay for legal support through the Office of the Attorney General and an appointed position in DHHS, a Chief Operating Officer for DLC, and infrastructure costs (e.g., rent and information technology).